

DEPARTMENT OF SOCIAL SERVICES  
744 P Street, Sacramento, CA 95814



April 9, 1984

ALL-COUNTY LETTER NO. 84-43

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: TREATMENT OF INCOME TAX REFUNDS FOR TAX YEAR 1983 BY AFDC,  
RCA AND ECA APPLICANTS AND RECIPIENTS

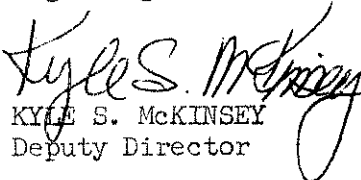
REFERENCE: ALL COUNTY LETTER NO. 84-27, DATED FEBRUARY 23, 1984  
ALL COUNTY LETTER NO. 83-20, DATED MARCH 15, 1983  
MPP SECTIONS 44-113.8 AND 44-207.4

On April 5, 1984, the California Supreme Court in the case of Vaessen v. Woods issued its opinion on the treatment of income tax refunds. The Supreme Court ruled that income tax refunds are to be treated as property rather than income.

In All County Letter 84-27 you were instructed to treat income tax refunds for 1983 as income. This was due to the relationship of the decision in Turner v. Woods, and the interim order of the California Supreme Court dated August 9, 1982 in Vaessen v. Woods. Because of the April 5, 1984 opinion of the Supreme Court, the instructions of ACL 84-27 must now be disregarded.

You are hereby instructed to disregard the provisions of MPP Section 44-207.4 as applied to income tax refunds and to otherwise treat such refunds as property rather than income for grant and eligibility determination purposes.

Additional instructions will be issued as necessary. If you have any questions regarding this letter please contact Joe Carleton at (916) 322-5387.

  
KYLE S. MCKINSEY  
Deputy Director